GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:853
ANSWERED ON:04.03.2008
PROBLEMS FACED BY SMALL SCALE INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the number of small scale units and workers employed therein during each of the last three years and in the current year, State and Union Territory-wise;

(b) the production, sale and export of products from these units during the said period, State and Union Territory-wise;

(c) the details of the problems, issues and constraints being faced by these Small and Medium Enterprises (MSE) and threats from cheap imports endangering their existence;

(d) whether the Government proposes new policy initiatives to protect the interest and growth potential of SME units to ensure their economic viability, engage more manpower in the sector and also to secure their competitiveness in the market; and

(e) if, so the details thereof?

Answer

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) & (b): The State and Union Territory (UT)-wise details of estimated number of micro and small enterprises, workers employed therein and production from these units for the years 2004-05, 2005-06 and 2006-07 (latest available) have been estimated on the basis of the results of the 3rd All India Census for the Small Scale Industries conducted during 2001-02 and are given in Annexure I, Annexure II and Annexure III respectively. The estimated value of exports made by micro and small enterprises during 2003-04, 2004-05 and 2005-06 (latest available) were Rs. 97644 crore, Rs. 124417 crore and Rs. 150242 crore respectively. The State/UT-wise details of sale and export of products are not maintained centrally.

(c) to (e): The Government is seized of the problems, issues and constraints being faced by micro and small enterprises. The programmes/schemes of the Ministry of MSME are primarily meant for increasing the productivity and share of MSE sector in the total manufacturing output and enhance their competitiveness. The rate of growth of employment in the MSE sector in recent years has been consistently higher than the rate of growth of employment in the industrial sector. Some of the initiatives taken recently for the promotion and development of MSEs are listed below:

(i) Policy Package for Stepping up Credit to Small and Medium Enterprises with the objective to double the credit flow to this sector in a period of 5 years;

(ii) Enactment of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to facilitate promotion and development of MSMEs and enhancement of their competitiveness;

(iii) According priority to the Cluster-based approach for holistic and integrated development of the MSE sector;

(iv) Initiating action on the National Manufacturing Competitiveness Programme (NMCP) to address the technology, marketing and skill upgradation needs of the MSME sector; and

(v) Undertaking a Package for Promotion of MSEs which comprises of the proposals/schemes having direct impact on the promotion and development of the MSEs.